

Commitment Procedure

Commitment Period

The **Start Up** commitment period for both existing properties and new construction extends 60 days from the date of electronic commitment of the loan until the day of receipt by the Master Servicer.

- The Commitment Confirmation will be valid for the term counted in consecutive calendar days, including weekends and holiday. If the commitment period expires on a weekend or holiday, then the commitment time frame is extended to the next business day. The commitment period will expire at 4:00 p.m. (CST) on day of expiration.

The **MCC (with First Mortgage)** commitment period for both existing properties and new construction extends 60 days from the date of electronic commitment to **purchase** by the Master Servicer.

- The Commitment Confirmation will be valid for the term counted in consecutive calendar days, including weekends and holiday. If the commitment period expires on a weekend or holiday, then the commitment time frame is extended to the next business day. The commitment period will expire at 4:00 p.m. (CST) on the day of expiration.

The **Step Up** commitment period for both existing properties and new construction extends 60 days from the date of electronic commitment to **purchase** by the Master Servicer.

- The Commitment Confirmation will be valid for the term counted in consecutive calendar days, including weekends and holiday. If the commitment period expires on a weekend or holiday, then the commitment time frame is extended to the next business day. The commitment period will expire at 4:00 p.m. (CST) on the day of expiration.

Rate Publication

Rates will be posted each business day at approximately 10:00 a.m. on the Minnesota Housing website at www.mnhousing.gov.

Commitment Availability

- New commitments will be accepted from 10:00 a.m. through 8:00 a.m. the following day. No new commitments will be taken between 8:00 a.m. and 10:00 a.m.
- The commitment window will close at 5:00 p.m. each Friday and at 5:00 p.m. on the weekday prior to any Agency holidays and reopen at 10:00 a.m. the following business day. No new commitments will be accepted during these time periods.

Requesting a Commitment

- Once the Lender has determined that the Borrower meets the loan requirements, an Individual Commitment of funds is requested through Minnesota Housing's HDS SF Web Application.

- Request for a Commitment that meets the eligibility requirements in the Procedural Manual will be authorized electronically.
- Commitments will expire at 4:00 p.m. on the date of expiration.

Modifying a Commitment

- Any change to the commitment must meet eligibility requirements and must be submitted via the HDS SF Web Application to qualify.
- Certain requested changes may require the original commitment period to be modified.
- A change of Borrower or property on the commitment will not be allowed.
- An increase in loan amount will be allowed if funds are available.
- In the event of a change of program or product type, (i.e., FHA to HFA Preferred Risk Sharing™) the reprice of the loan will be the price of the new product on the date of the original commitment.

Transfer of Individual Commitments

Lender may not transfer commitments to another lender. Minnesota Housing may, in its discretion, transfer a commitment to another Lender under the following conditions:

- Lender requests in writing a transfer of the commitment to a different lender , documenting the reason; and
- The original lender must transfer and/or assign case documents to the new lender.
- Receiving lender must accept the original commitment terms.

Extensions

- Lender must request an extension on a loan-by-loan basis by submitting a Commitment Extension Request Form through the Loan Commitment System Forms Generator via e-mail.
- Extension requests are accepted between day 50 of the commitment period and at or before 4:00 p.m. on the expiration date.
- One 30-day extension at ½ a point is offered. If the lender can deliver the loan to US Bank MRBP (Start Up loans) or have it purchased by US Bank MRBP (Step Up loans) in less than 15 days, only ¼ point will be charged.
- A maximum of 30 days worth of extensions is allowable.
- The extension fee(s) will be deducted from the final purchase price of the loan at the time of purchase by the Master Servicer. For short-sale or bank-mediated properties using the Start Up program only, the extension fee may be waived by request.
- Extension fees may not be passed on to Start Up borrowers.

Cancellations

- Minnesota Housing requires the lender to cancel any commitment that will not be used for the specified loan.
- The Agency will cancel a commitment at 4:00 p.m. on the day of expiration if an extension request has not been submitted by the lender.
- The Lender may not cancel an individual commitment and subsequently recommit funds for the same Borrower and property in order to obtain more favorable commitment terms.

Recommitments

- Any Lender who cancels an existing commitment may not re-commit a loan for the same Borrower(s) and property within the first 60 days following cancellation of the commitment without submitting a Manual Commitment Form.
- Recommitments are considered on a case-by-case basis.
- A recommitment requires the re-price of the loan at the higher of:
 - the original rate and price, or
 - current rate and price

Funding Approve

Funding Approve obtained from the HDS SF Web Application confirms on a preliminary basis that a loan meets bond compliance (for Start Up loans) and Agency guidelines (for all programs), subject to Quality Control review or other investigation.

Hold Fees

- Minnesota Housing will allow a 10-day period from the date of notification from the Master Servicer for the lender to clear exceptions.
- If the exception(s) remains outstanding beyond the 10-day period, fees in an amount equal to .125% of the loan amount will accrue every 14 days until the exception is cured. The purchase price of the loan at the time of purchase by the Master Servicer will be discounted in an amount equal to the accrued fees due.

Master Servicer Loan Purchase/Disbursement of Funds

The Master Servicer will purchase and disburse funds for all first mortgage loans, net any extension or hold fees, that have closed, attained the Funding Approve stage on Minnesota Housing's SF Web Application and meet Master Servicer purchase criteria.

Minnesota Housing will fund the entire downpayment and closing cost loans at the closing table per the instructions in the Downpayment and Closing Cost Loans Wire Request Process Guide.